SASKATCHEWAN PROVINCIAL BUDGET

14-15

GOVERNMENT DIRECTION FOR 2014-15

Government Direction for 2014-15:
STEADY GROWTH

Saskatchewan's vision is to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life.

Four goals set the Government's direction for the province. They include: sustaining growth and opportunities for Saskatchewan people, meeting the challenges of growth, securing a better quality of life for all Saskatchewan people and delivering responsive and responsible government.

Saskatchewan's growth is strong and steady.

Like the qualities of those who built this province and the people who live on its land, in its cities, in its towns and villages, quiet confidence and forward looking pragmatism resonate throughout Saskatchewan.

In the fall of 2013, the Government released its first progress report on the *Saskatchewan Plan for Growth – Vision 2020 and Beyond.*

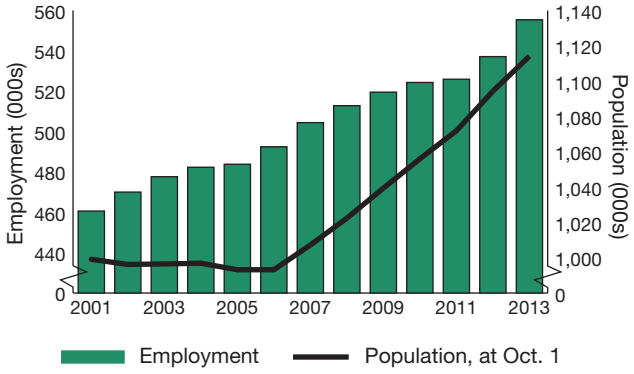
The report shows that the province continues to have the lowest unemployment rate in the nation. Saskatchewan is among the leaders in job growth, average weekly earnings, manufacturing sales, retail sales and investment in new housing construction. With a record year in 2013, Saskatchewan was the largest per capita exporter in Canada.

A GROWING PROVINCE, A GROWING ECONOMY

Saskatchewan is growing.

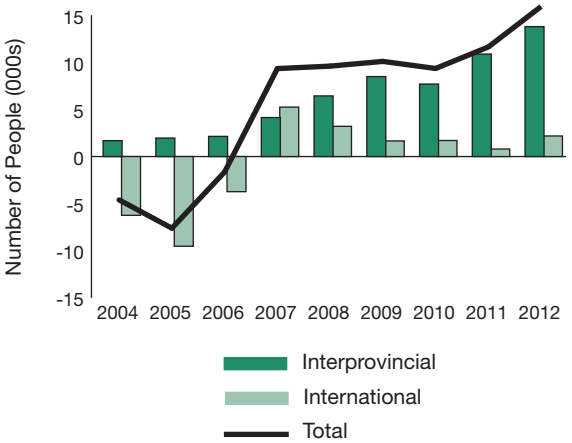
Investment in people and investment in needed infrastructure are steadily helping to secure a better quality of life for all Saskatchewan people.

SASKATCHEWAN EMPLOYMENT AND POPULATION



Source: Statistics Canada

SASKATCHEWAN NET MIGRATION



Source: Statistics Canada

In 2013, Saskatchewan passed the 1.1 million population mark for the first time in its history, after growing by 100,000 people in just six years. At the current rate of growth, the province is poised to reach the goal of 1.2 million people living in Saskatchewan by 2020, as set out in the *Plan for Growth*.

Saskatchewan is moving forward and perhaps no single statistic, economic or otherwise, is as defining and important a marker of progress as the increase in the population.

This kind of growth means there is a need for Government investments into health care, education, highways and social services.

Growth also drives the need to build more power lines and telecommunications networks as committed to by Saskatchewan's Crown corporations.

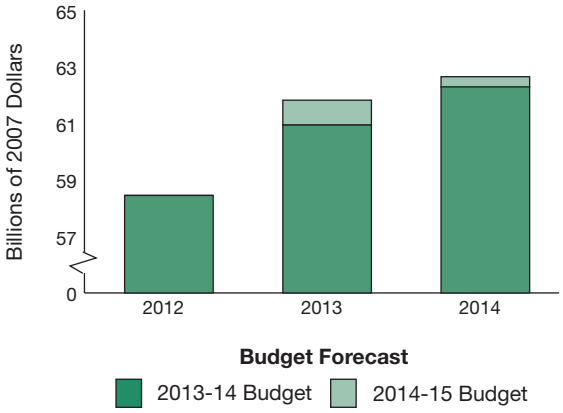
ECONOMIC GROWTH

Saskatchewan's real Gross Domestic Product (GDP), which was forecast to grow 2.6 per cent in 2013, grew to 4.1 per cent on the strength of a resilient economy and record crop. GDP forecasts show steady growth of 2.2 per cent for 2014 and 2.3 per cent for 2015.

While the projected GDP growth is somewhat lower than recent years, it's important to recognize that starting from the high economic growth of 2013 overall growth is strong and steady.

The Government's goal is to keep Saskatchewan on the path of steady growth and avoid the "boom and bust" cycle that characterized the province's economy for many years.

SASKATCHEWAN GDP FORECAST



Source: Ministry of Finance

ONE BUDGET

Steady growth is a vision for the long term and the full view of what's happening in Saskatchewan. It is the big picture.

The Government is making an important change to enhance its fiscal reporting. This year, the Province's 2014-15 Budget is being presented on a summary basis as recommended by the Provincial Auditor.

The summary budget includes all government entities, which are classified into two groups: Government Business Enterprises (which include Crown corporations), and Government Service Organizations (which include ministries, boards of education, health regions and many other organizations). These are the same classifications as the Summary Financial Statements.

The 2014-15 Budget is now solely focused on this broader picture of how the Saskatchewan Government and its other related entities operate as a whole, providing services and programs to the people of Saskatchewan.

Once again, it is the big picture.

Saskatchewan has presented a summary budget since 2004-05.

In previous years, governments in Saskatchewan have presented the budget on both a General Revenue Fund (GRF) and a summary basis, with a greater focus on the GRF.

The Government of Saskatchewan has long maintained that both core operations and summary-based information each have a role to play in ensuring transparency and providing important accountability information.

While the GRF represents only a subset of the summary budget, it remains an important element.

The Government of Saskatchewan Core Operational Plan, released with the 2014-15 Budget, is in essence the plan of the GRF. It is the account into which all public monies are paid, except for those which the Legislative Assembly has specifically assigned to another entity like school boards, health authorities and Crown corporations.

As a result, the expenditures of the Core Operational Plan require Legislative Assembly approval.

It is for these reasons that Government will continue to present its Core Operational Plan.

The Provincial Auditor has stated that the summary budget is the only budget that should be presented, as it includes all agencies the Government controls. This Government prides itself as one that will listen and seek continuous improvement – and so it has chosen to present the 2014-15 Budget on a summary basis.

In addition, Government will only present summary financial statements in its public accounts. To achieve this, Government will introduce *The Financial Administration Amendment Act, 2014*.

It removes the requirement for the financial statements of the General Revenue Fund to be prepared and included in the public accounts, and removes the requirement for the Provincial Auditor to audit and issue a report on the General Revenue Fund financial statements.

These changes reflect the change in focus of the Province's budget and financial statements to a summary basis.

And while all jurisdictions across Canada have nuances in how they present their budgets, all provinces present their budgets and financial statements on a summary basis. Saskatchewan's move improves consistency and the ability to compare province-to-province.

This is the first year of a large change and over time the presentation of the information will improve.

Government will continue to provide the information it has before – but it will present one budget, on a summary basis.

FISCAL RESPONSIBILITY

A fundamental component of the *Saskatchewan Plan for Growth* is fiscal responsibility.

Government's sound financial decision making is essential to maintaining a secure and stable base for economic growth and the quality of life it brings.

Saskatchewan's 2014-15 Budget is balanced, with a surplus of $71 million.

The budget achieves this with no tax increases and no new taxes. Varied and diverse revenue sources coupled with forecast population growth and resulting increases in tax revenue contributes to revenue of $14.07 billion in this year's budget.

To achieve balance, the budget holds expense to $14.0 billion.

While unforeseen events, such as natural disasters or large scale crop failures, can impact overall spending, containing operational spending where Government generally has control is a priority. Effectively managing spending as outlined in Government's Core Operational Plan is essential to continuing on a path of steady growth.

In spite of a growing economy, overall revenue is forecast to be down this year, 0.7 per cent. At the same time, the province is seeing increased demand for investments due to growth. As a result, the Government considered raising Education Property Tax.

Ultimately, the decision was to maintain the Education Property Tax mill rates at their current level.

Controlling spending, as opposed to raising taxes, was the choice Government made as the best way forward. Not all of the choices were easy but they reflect Government's commitments and priorities to maintain steady growth.

Government has also chosen to maintain the current provincial tax provisions for credit unions, including the special income tax reduction and the exemption from paying the provincial capital tax, recognizing the restraints credit unions face related to raising capital as well as their important place in the economy of our province.

In addition, the province chose to adjust its dividend tax credit rate for non-eligible dividends, which are generally those that are paid by small business corporations, in order to maintain Saskatchewan's current combined corporate and personal income taxes on such income.

In each of these instances, the Government of Saskatchewan was responding to federal tax changes. Had the province gone along with those changes, each would have meant higher taxes for Saskatchewan businesses and residents.

Saskatchewan chose a different path – keeping taxes low, helping the steady growth of our economy, and helping people.

SUMMARY BUDGET PERSPECTIVE

When the budget is viewed from a summary perspective, the focus is broad. It takes in the big picture.

The focus includes what's happening in the commercial Crown corporations, Government ministries and agencies, Treasury Board Crowns, and related entities like Regional Health Authorities and Boards of Education. Finally, the focus includes the not-for-profit insurance organizations, like the Workers' Compensation Board and Saskatchewan Crop Insurance Corporation.

Saskatchewan's commercial Crown corporations are an important component of the summary budget and are helping meet the challenges of a growing province.

Crowns are involved in communities throughout the province, through local initiatives and sponsorships that add to the vibrancy of life in Saskatchewan.

People who work for the Crowns respond to the needs of people throughout the province. When storms hit, SaskPower crews respond to downed power lines.

When the telecommunications network needs repair, SaskTel employees are there, and when a hail storm damages property, SGI adjustors are ready to take claims.

Responding to growth in Saskatchewan – more homeowners, more businesses and greater demands from growing industries – Saskatchewan's Crown corporations are building power lines, telecommunications networks and natural gas transmission facilities like never before to continue to meet the challenges.

Commercial Crowns use balanced scorecards to identify and manage their priorities and report back to their independent boards, Government and, ultimately, the people of the province. The Crown sector's strategic priorities were refreshed in 2013 to reflect the Government's direction in the *Saskatchewan Plan for Growth*.

The Crowns, through Crown Investments Corporation, provide net income to the summary budget of $162 million in 2014-15.

Treasury Board Crown corporations are also responding to the Province's steady growth.

For example, the Saskatchewan Liquor and Gaming Authority (SLGA) has focused on improving its delivery model and is building a new 158,000 square foot warehouse in Regina at the Global Transportation Hub to help meet the province's growing demand.

The SLGA is improving and modernizing liquor regulations, benefitting businesses involved in the sale and serving of alcohol, as well as their customers. This year, Saskatchewan will see its first private liquor stores open in Saskatoon and Regina.

While continuing to ensure liquor and gaming are managed responsibly, the SLGA is forecast to provide net income of $491.8 million from the sale of liquor and from gaming proceeds, to help fund key programs and services.

Another example of contributions Treasury Board Crown corporations make can be seen clearly in the Water Security Agency (WSA).

The Agency's focus is not only protecting the water supply and quality, but also managing dams and water channels to reduce flood and drought damage.

In 2014-15, the WSA will undertake $15.6 million in capital expenditures, among them projects aimed at rehabilitating and maintaining existing dams and continued work on the M1 Canal and the Boundary to Rafferty diversion channel.

In addition, the Agency is making a further investment in flood forecasting improvements. Since 2010, the WSA has invested over $40 million in emergency flood mitigation efforts, helping individuals, communities, rural municipalities and First Nations.

It's important to recognize how a not-for-profit organization, like Saskatchewan Crop Insurance, can have a profound effect on a summary budget – one that is largely outside the Government's control.

Last year, for example, with a record crop harvested as a result of favourable weather and growing conditions, Crop Insurance incurred far less expense because of fewer payouts than usual, adding substantially to the bottom line of Government's 2013-14 summary financial forecast at mid-year.

This year, with a prudent, anticipated return to a normal crop year, the surplus will be somewhat modest by comparison. Of course, it is impossible to forecast the size of the crop and number of Crop Insurance claims to budget for.

A difficult crop year, with many added claims to crop insurance, could substantially challenge the provincial government's bottom line, on a summary basis.

Forces well beyond Government's control, such as weather, unforeseen disasters and global impacts on commodity prices, can also impact the bottom line – supporting the principle that Government must manage what is within its control, like taxes and discretionary spending.

GOVERNMENT DEBT MANAGEMENT

Saskatchewan's ability to manage spending, meet priorities, manage debt and continue to foster economic growth has garnered the attention of credit rating agencies.

Steady growth and the ability to ride out the inherent volatility of non-renewable resource revenue by exercising spending restraint has earned Saskatchewan some of the highest credit ratings in Canada and North America.

GOVERNMENT CREDIT RATINGS

Juris-diction	Moody's	Standard & Poor's	DBRS
BC	Aaa*	AAA	AA(high)
AB	Aaa	AAA	AAA
SK	**Aa1****	**AAA**	**AA**
MB	Aa1	AA	A(high)
ON	Aa2	AA-*	AA(low)
QC	Aa2	A+	A(high)
NB	Aa2	A+	A(high)
NS	Aa2	A+	A(high)
PE	Aa2	A	A(low)
NL	Aa2	A+	A
CA	Aaa	AAA	AAA

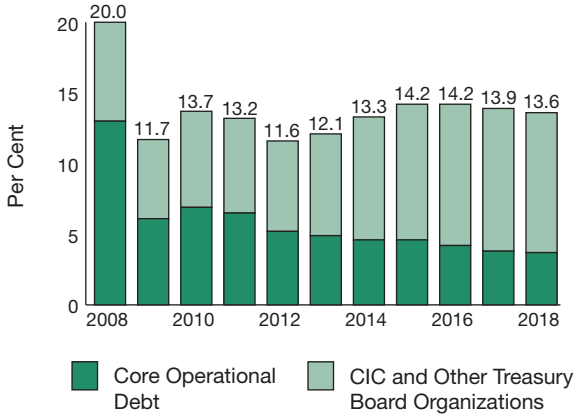
Credit ratings as of February 3, 2014
** Negative outlook*
*** Positive outlook*

Overall in Saskatchewan, $11.82 billion in debt includes Government core operational debt of $3.8 billion, health authority and school division debt of $325.0 million, and Crown corporation debt of $7.7 billion.

That debt as a percentage of GDP is estimated to be 14.2 per cent at March 31, 2015, down 29 per cent from 2007-08, and down 57 per cent from 2000-01.

This reduction has occurred despite an unprecedented capital program undertaken by the province's commercial Crown corporations.

PUBLIC DEBT AS A % OF GDP AS AT MARCH 31



Source: Saskatchewan Public Accounts; 2014-15 Budget; Saskatchewan Provincial Economic Accounts

Because of steady growth, Saskatchewan's commercial Crown corporations are investing in infrastructure like never before, and the scale of those investments means additional borrowing of about $800 million in 2014-15 for needed capital projects.

Capital borrowing for infrastructure renewal by revenue generating business entities like SaskPower, SaskTel and SaskEnergy is carefully managed, and done on a financially sustainable basis. Each Crown corporation has an industry benchmarked financial target, such as the debt ratio, to gauge debt sustainability. Each is in line with those targets.

Government has also committed, in its *Plan for Growth,* to reduce its $3.8 billion operational debt.

Reduced debt means savings in the interest paid to service that debt and leaves more funds available to invest in highways or hospitals, to reduce surgical wait times, to provide programs for people with disabilities – helping Saskatchewan people see the benefits of steady growth.

More than $3 billion of Government's operational debt has been paid off over the past six years, resulting in cumulative savings of almost $1 billion in interest payments.

THE SASKATCHEWAN HERITAGE INITIATIVE

As part of the *Saskatchewan Plan for Growth,* the Premier asked Peter MacKinnon to examine how other jurisdictions manage non-renewable resource revenue and make recommendations to the Government of Saskatchewan.

In his report, Mr. MacKinnon recommended the creation of a Saskatchewan Futures Fund. He also recommended that resource revenues be capped at 26 per cent of Government revenues each year and that any amount in excess of 26 per cent go toward debt reduction, into the Futures Fund or a combination of the two.

The Government accepts these recommendations and will create a Futures Fund. Contributions from resource revenues into the Fund will begin once the debt is retired, as outlined in the *Plan for Growth*.

It should be noted that Mr. MacKinnon's recommendations were based on the previous budgeting system, so his recommended cap was set at 26 per cent of government operating revenue and debt retirement referred to the $3.8 billion operational debt. Work will be done to adapt these recommendations to the new summary budget. The resource revenue cap is unlikely to come into play this year as resource revenues are forecast to be below 26 per cent of operating revenues.

PRIORITIES FOR GROWTH – INFRASTRUCTURE

The Government of Saskatchewan has taken action to upgrade infrastructure in the province, to meet the challenges of growth.

This means building and maintaining highways and hospitals, schools, power generation facilities and telecommunications networks.

Total Government investment in capital, including Crown corporations, is close to $16 billion since 2008.

SaskPower is meeting growing demand by investing in infrastructure including power generation plants, transmission facilities and distribution lines to produce and move electricity to homes, businesses and industry.

SaskTel is investing in telecommunications networks that are becoming more crucial each year to deliver high speed data.

Investments are being made by SaskEnergy for natural gas transmission and distribution systems needed to heat Saskatchewan peoples' homes and businesses and deliver the energy needed for large producers in mining, in manufacturing and Saskatchewan's growing industries.

Between 2000 and 2007, the Crowns spent approximately $568 million on average per year on capital to both maintain and invest in new infrastructure.

Crown capital investment doubled to $1.1 billion annually between 2008 and 2012. It is forecast that between 2013 and 2018, Crown corporations will invest an average of $1.7 billion dollars each year maintaining existing and building new infrastructure – triple the amount invested between 2000 and 2007.

Crown Corporation Capital

Capital spending by the Crowns is projected to be $2.0 billion in 2014-15, an increase of $100 million, or 5.3 per cent, from 2013-14.

The major capital projects the Crowns are moving forward on through 2014-15 include:

- $1.2 billion at SaskPower primarily to develop new electricity generation such as clean coal, natural gas and hydro, as well as expand and renew the transmission and distribution systems that carry electricity to customers. The projected $380 million northern transmission expansion from Island Falls to Key Lake will provide improved system stability for northern business, industries and residents;

- $355 million at SaskTel to continue the transformation of its communications services including increasing the capacity of its wireless network across Saskatchewan, and the continued roll out of its fibre optic infiNet project providing reliable, high bandwidth broadband to multi-dwelling homes and businesses; and,
- $300 million at SaskEnergy primarily for integrity spending to ensure system safety through upgrades and renewal of infrastructure, and expansion of its pipeline and compressor capacity.

SaskWater continues to partner with the private sector and municipalities to ensure secure and reliable water and wastewater infrastructure is in place to meet the needs of provincial growth.

In 2014-15, SaskWater will continue its partnership with BHP Billiton to construct a water supply system for further potash development and work with White City to develop a water supply infrastructure plan for that rapidly growing community.

Beyond investments being made by Crown corporations, the 2014-15 Budget for Government's core operations includes capital expenditures of $886.9 million, an increase of $39.4 million, or 4.7 per cent, from the 2013-14 Budget.

Transportation Infrastructure

Building, maintaining and operating Saskatchewan's highway and transportation infrastructure system is a priority in a growing province, and this year's commitment is $664.5 million through the Ministry of Highways and Infrastructure, an increase of $88.5 million from last year.

This level of investment means the Government is on pace to meet its 2011 Throne Speech commitment to spend $2.2 billion on highways and transportation infrastructure over a four-year period. Since 2012-13, approximately $1.8 billion has been provided, including:

- $581.5 million in the 2012-13 Budget;
- $576.0 million in the 2013-14 Budget; and,
- now $664.5 million in this year's budget.

This year, $405.2 million of that overall budget is dedicated to transportation capital and partnership programs, including provincial highway upgrades in various locations throughout the province.

Planning is underway to build more passing lanes to help the safe movement of people and products fundamental to the economic growth of Saskatchewan. This year, pre-construction work will begin for future passing lanes on Highway 7 between Delisle and Rosetown.

Other priority projects include:

- Construction of 19.5 kilometres of new twinning lanes for Highway 16 east of Saskatoon to Clavet;
- Pre-construction activities for a number of twinning projects on Highway 7 west of Saskatoon to Vanscoy for 9 kilometres, and Highway 6 and 39 from Estevan to Bienfait for 8 kilometres;
- continued due diligence associated with the Regina Bypass P3 Project including continued work on the west portion of the Bypass; and,
- grading work at the Highway 39 Estevan Bypass.

There is also $95 million for repaving at least 300 km of highways, and $37.6 million for bridge replacements, major bridge repairs and culvert replacements. In addition, there is $31.4 million for partnership programs including $25.5 million through Municipal Roads for the Economy, among other investments.

Municipal Infrastructure

This year's budget allocates $50 million to building a new stadium in Regina – part of the Government's overall $80 million commitment. In 2013, $5 million was invested with $25 million more planned for 2015-16.

The budget also includes $74.1 million in transfers to municipalities through the federal gas tax fund, the Building Canada Fund and Saskatchewan Infrastructure Growth Initiative.

A new commuter bridge in the north industrial area of Saskatoon is needed in that rapidly growing city and the Government is committed to helping fund that infrastructure priority. The City and Province will establish funding details in the coming year and seek a partnership with the Federal Government, with dollars likely beginning to flow in 2015-16.

Education Capital

The 2014-15 Budget includes $103.3 million for K-12 school and education capital – $96.2 million for school capital includes:

- $4.1 million for planning four new major school projects including replacing Connaught School and Sacred Heart in Regina as well as major renovation projects for the K-12 school in St. Brieux and Sacred Heart in Moose Jaw;
- $9.5 million to proceed to construction with two new school projects approved for planning last year, Langenburg School and Gravelbourg Elementary;
- $46.4 million for construction on 10 ongoing major school projects;
- $1.0 million for 15 new Pre-K programs and $1.0 million for more minor education capital needs;
- $6.9 million for 29 new re-locatable classrooms and moving 10 to schools with increased enrolment; and,
- $24.0 million for school maintenance, an increase of $4.6 million or 23.6 per cent from the previous year.

Education capital includes $7.1 million for student achievement software and for 500 new child care spaces.

Planning and due diligence is continuing toward the building of a bundle of nine joint-use schools in Regina, Saskatoon, Warman and Martensville, anticipating the use of a P3 model. Each will have a public and separate school in one building.

This is the largest single project ever undertaken in the province to build elementary schools. Work is progressing between the Ministry of Education, school divisions and SaskBuilds, with $3.3 million dedicated to designing the schools in 2014-15

Government is also committed to building and maintaining our universities and other post-secondary institutions. The 2014-15 Budget transfers $32.6 million for post-secondary capital initiatives, an increase of $7.1 million or nearly 28 per cent compared to last year.

Those transfers include:

- $20.6 million for maintenance capital, an increase of $4.1 million compared to last year:
- $6.5 million for continued construction of the Health Sciences Facility at the University of Saskatchewan;
- $4.5 million for the Trades and Technology Centre at Parkland Regional College in Yorkton; and,
- $1.0 million for continued construction of the Southeast Regional College facility in Weyburn.

Health Care Capital

Government's next major health facility investment is going to be in Prince Albert, with $2 million in this budget allocated to planning the renewal of the Victoria Hospital.

This budget contains $94.9 million for health-related capital investments, including:

- $16.0 million to complete the new hospital in Moose Jaw;
- $48.1 million for maintenance capital, equipment and projects such as the Parkridge Centre long-term care renovation, and $1.5 million for sprinkler retrofits in personal care homes across the province as well as other smaller projects;
- $27.3 million for five ongoing long-term care facility projects, and $1.5 million for planning associated with the Regina Extendicare Replacement and La Ronge long-term care facility expansion; and,
- funding for new Provincial Laboratory machinery and equipment, increased funding for new medical imaging equipment, and the replacement of a Linear Accelerator machine in Saskatoon.

A P3 project guided by SaskBuilds, with the Ministry of Health and Cypress Regional Health Authority, is moving forward on construction of the Swift Current long-term care facility, and $2.1 million is allocated in the 2014-15 Budget.

Another project, the Saskatchewan Hospital North Battleford and integrated corrections facility, also continues to move forward. The 2014-15 Budget includes $2.5 million in early stage funding for this much-needed project, including due diligence regarding the use of a P3 procurement model.

Housing

Investment into affordable housing is continuing, including $9.2 million for the first year of a five-year extension of the federal-provincial Affordable Housing Agreement. The agreement provides joint funding for new affordable housing, home renovations, home adaptations, as well as rental and housing supplements.

This budget also provides $750,000 for additional support to assist Habitat for Humanity in the development of another 12 homeowner units across the province.

PRIORITIES FOR GROWTH – CARING FOR PEOPLE

The *Plan for Growth* sets out that the purpose of growth is to build a better quality of life for all Saskatchewan residents.

Government is improving health care and ensuring safe communities exist for children and families, and is aggressively supporting initiatives for seniors, for those with disabilities and for those who are most vulnerable.

Health

The Ministry of Health will provide nearly $5 billion – an increase of 3.0 per cent compared to last year – to provide high quality health care and improve health outcomes for Saskatchewan people.

Regional Health Authorities will use $3.25 billion – an increase of $107.5 million or 3.4 per cent compared to last year – for operating funding and targeted initiatives.

Government continues to work with health regions to achieve better outcomes with a focus on "patient first."

Within this year's funding is $1.5 million to develop an innovative "hotspotting" pilot program to identify and provide more appropriate services to frequent users of the health system.

The health system in Saskatchewan and throughout Canada struggles with meeting the needs of patients with complex and varied issues – sometimes related to mental health.

These patients may not require hospitalization but they are using the emergency department. One per cent of patients account for 21 per cent of all hospital costs in the province. This is not an effective use of resources nor does it serve the best interests of many of these patients.

In the coming year, Regional Health Authorities along with Social Services and community-based organizations will launch "hotspotting" pilots in Saskatoon and Regina to identify and assist high-use patients who are repeatedly hospitalized, helping them receive the care they need in the most appropriate way.

Funding to the health system also includes:

- $60.5 million for the surgical waitlist initiative, aiming to meet the three-month waitlist target for all regional health authorities by the end of 2014-15;
- $24 million to address demographic volume pressures and population growth;
- An $8.0 million increase over last year for regional targeted programs primarily addressing renal disease, colorectal screening, and diagnostic imaging volumes;
- $13.15 million – an increase of $3.4 million compared to last year – for the operation of five Collaborative Emergency Centres, as well as to enhance primary health care sites; and,
- $1.7 million to develop an Emergency Department Wait Times and Patient Flow program to reduce ER waits and enhance appropriate service.

The Saskatchewan Cancer Agency plays a vital role in the province's health care system. The 2014-15 Budget provides $155.7 million in funding from Government – a $4.9 million or 3.3 per cent increase – to help plan, organize, deliver, and evaluate cancer care and related health services throughout the province.

This budget provides $5.2 million – $2.2 million more compared to last year – to expand the rural doctor locum pool. And the rural family physician recruitment incentive program is receiving an additional $435,000 in funding this year, bringing total funding in 2014-15 for that important program to $685,000.

The health system continues to seek new ways to be more efficient and sustainable. In 2014-15, Regional Health Authorities and the Saskatchewan Cancer Agency will work to find $51.9 million in savings

through sharing of services coordinated through 3sHealth, attendance management and reduction of lost time due to injuries, premium pay and sick time as well as other approaches that ensure more consistent and appropriate use of resources.

Social Services

This budget commits $956.5 million – an increase of $65.8 million or 7.4 per cent compared to last year - to programs and initiatives for the people of Saskatchewan who need them most through the Ministry of Social Services.

In addition to the Ministry of Social Services, a multi-ministry approach is being taken to help seniors, children and families and those with disabilities. Joint efforts also include community-based organizations and regional health authorities.

Seniors

Care for seniors is a top priority for Government.

The 2014-15 Budget focuses on a number of initiatives for seniors, including $4.5 million for the HomeFirst/Quick Response Homecare program – an increase of $2.5 million compared to last year.

This innovative approach provides home care services for seniors in Regina, Saskatoon, and Prince Albert that helps ensure seniors have the supports they need to transition home from hospitals quicker, and reduce unnecessary hospital admission and emergency room visits.

Other initiatives in the 2014-15 Budget include:

- continuing Government's commitment to the Seniors Income Plan by providing for planned benefit increases in 2014-15 to $260 per month for a single individual, and to $225 per month for each member of a married couple. Next year, the single benefit will increase to $270, triple what it was in 2007;
- $3.7 million for the Seniors' Care Urgent Action Fund for ongoing enhancements to address issues in long-term care facilities;
- $800,000 to develop a Seniors' House Calls program for seniors with complex needs;
- an increase to the Seniors Personal Care Home Benefit monthly income eligibility threshold of $75, from $1,875 per month to $1,950 per month, for an average benefit of $385 per month; and,
- increased funding of $217,000 for additional claims under the senior citizens ambulance assistance program.

Support for People with Disabilities

The *Plan for Growth* sets a goal of making Saskatchewan the best place to live for people with disabilities.

Since 2007-08, Government funding for people with disabilities has increased by $231.7 million, or 108.0 per cent.

The 2014-15 Budget includes a total of $446.2 million, an increase of $84.3 million from last year for new or enhanced programming and increased program utilization for people with disabilities.

The 2014-15 Budget includes investments of:

- $173.6 million for the Saskatchewan Assured Income for Disability program, a $61.3 million or 54.6 per cent increase compared to last year to implement planned benefit increases per month of $20 for a person in residential care, $50 for a single individual, and $55 for couples, as well as to accommodate a caseload increase of 4,200 Saskatchewan people with disabilities;
- $165.8 million in funding for community-based organizations that help Saskatchewan people with disabilities, a $20.4 million increase;
- $15.8 million for the Disability Tax Credit; and,
- $3.5 million for Transit Assistance for People with Disabilities, including capital and operating funding.

Child and Family Agenda

Momentum continues on Saskatchewan's Child and Family Agenda, responding to the most urgent needs of our children, youth and families.

A multi-ministry approach is focusing on critical areas of education, health, family supports and community safety.

Among the initiatives are the Mental Health and Addictions Action Plan, expansion of the Positive Parenting Program, expansion of the Building Partnerships to Reduce Crime initiative (the Hub and COR model), and an additional 15 new pre-kindergarten programs to improve reading outcomes.

Education

Pre-K to Grade 12 education is a major priority for the Government.

Planning on a "student first" basis with school divisions is aimed at improving education outcomes for Saskatchewan children. The 2014-15 Budget for the Ministry of Education is $1.76 billion, an increase of $52.4 million or 3.1 per cent over last year.

School operating funding provided to school divisions includes both Ministry of Education funding of $1.17 billion and $646.7 million from Education Property Tax, for a total of $1.82 billion – an increase of 2.4 per cent from last year.

Priority initiatives of school operating funding include:

- $19.2 million in new funding to help address historic enrolment growth and projected enrolment growth of 2,140 K to 12 students in the 2014-15 school year;
- $11.0 million – an increase of $1.6 million or more than 17 per cent – to address enrolment pressures at Qualified Independent Schools, Historical High Schools, and the Sakewew First Nation High School in the Battlefords;
- $11.3 million – an increase of $2.0 million or more than 21 per cent over last year – for CommunityNet bandwidth upgrades to substantially increase internet speeds for students in rural schools, as well as expand capacity for students in urban schools;
- $815,000 in new funding to implement the Bullying and Cyber-bullying Action Plan;

- $588,000 to support the education of children who have come to Saskatchewan from other countries through new funding to expand 'English as an additional language' supports in our schools; and,
- $200,000 in new funding to provide Alternate Format Material for students with disabilities.

Investment into the education of our children begins even before they reach kindergarten. This budget provides $20.4 million – an increase of more than 6 per cent over last year – to support 15 new pre-K programs. This will bring the total number of pre-K programs across Saskatchewan to 316.

The number of child care spaces in Saskatchewan is also expanding. The 2014-15 Budget provides $52.7 million, an increase of 4.3 per cent compared to last year, to expand the number of child care spaces by 500.

The 2014-15 Budget honours our commitments to teachers and teacher superannuates by providing $340.1 million – an increase of $18.1 million or 5.6 per cent over last year – for teachers' pensions and benefits.

PRIORITIES FOR GROWTH – INVESTING IN PEOPLE

When Saskatchewan business owners are asked to identify the top challenge of growth the answer is, invariably, finding enough skilled workers.

A highly skilled and trained workforce is a key to Saskatchewan's growth and fundamental to achieving Government's goal of 600,000 people working in Saskatchewan by 2020. It begins with training.

The 2014-15 Budget provides $668.9 million for post-secondary institution operating grants and targeted funding, an increase of $16.8 million from 2013-14.

This includes:

- $488.7 million for Saskatchewan's universities, and federated and affiliated colleges, which includes a 2.0 per cent base operating grant increase and targeted funding, for a total increase of $14.7 million or 3.1 per cent over 2013-14;
- $151.9 million for technical institutes, which includes a 2.0 per cent base operating grant increase and funding adjustments, for a $1.6 million or 1.1 per cent increase over last year's budget; and,
- $28.3 million in operating and program funding for regional colleges, a 2.0 per cent increase.

In addition, this budget includes $216.0 million, an increase of $18.5 million over last year, or 9.4 per cent, in funding for student supports.

Included in that funding is the Graduate Retention Program, which has proven to be one of the most successful initiatives the Government has undertaken. Today, more young people are choosing to remain in or move to Saskatchewan after graduation, a reverse in the trend of decades of youth out migration.

Students who stay in or move to Saskatchewan after graduating from post-secondary institutions can recover up to $20,000 of their tuition costs over seven years through the Graduate Retention Program.

The 2014-15 Budget provides $82 million for the Graduate Retention Program, an increase of $18.1 million or 28.3 per cent over last year's budget.

The 2014-15 Budget also includes;

- $37.4 million for other ongoing provincial tax credits related to education costs and interest paid on student loans;
- $32.5 million for the Saskatchewan Student Aid Fund;

- $31.0 million for the Provincial Training Allowance;
- $7.5 million, an increase of $1 million, for the Saskatchewan Advantage Grant for Education Savings;
- $7 million for the Saskatchewan Advantage Scholarship; and,
- $5 million for the Saskatchewan Innovation and Opportunity Scholarship.

Government is continuing to invest in the training of nurses and doctors in Saskatchewan. This funding includes:

- $14.3 million for the final year of the Registered Nurse seat expansion to 690 seats;
- $13.7 million, an increase of $1.9 million compared to last year, to continue the implementation of 100 new medical undergraduate seats;
- $10.4 million, an increase of $625,000 to continue the implementation of 120 new medical residency seats;
- $578,000 in new funding to double the number of ongoing Perioperative Nursing training seats at SIAST from 18 to 36; and,
- $360,000, an increase of $150,000, to increase the number of nurse practitioner training spaces by five. Combined with the 10 new spaces added between 2012-13 and 2013-14, we're now three-quarters of the way to our commitment of 20 new nurse practitioner training seats by 2015-16.

A young and growing Aboriginal population is making a strong contribution to Saskatchewan's growing economy and workforce. The 2014-15 Budget includes more support for Aboriginal students and training programs.

Overall, this budget provides $189.2 million, an increase of $4.4 million or 2.4 per cent, from last year's budget, for targeted program funding for training and employment initiatives that benefit First Nations and Métis people.

This increase means more support for initiatives like those recommended by the Joint Task Force on Improving Education and Employment outcomes, and includes:

- $6 million, to double funding for Joint Task Force Initiatives including an invitational shared services initiative for school divisions, First Nations organizations and human services providers and funding to expand *Help Me Tell My Story* to on and off reserve schools,
- $49 million for funding of First Nations and Métis institutions and initiatives through the Ministries of Advanced Education, including funding of programs and post-secondary institutions, and Economy for skills training.

The 2014-15 Budget also invests more than ever before to help Saskatchewan people complete their Adult Basic Education (ABE), with a view to enhancing their employment prospects and quality of life.

Last year's budget added 300 new seats to begin to eliminate the ABE waitlist. This year's budget includes $2.1 million in new funding to add a further 700 seats.

Last year's budget included funding to meet the *Growth Plan* target of 300 more apprenticeship seats. As employers continue to seek more skilled workers, this year's budget includes a $1 million increase for the Apprenticeship and Trade Certification Commission to add a further 300 apprenticeship

seats, bringing total funding to $22.23 million. The budget also includes a $1.4 million increase in training allowances to support these 1,000 new ABE and apprenticeship opportunities.

Provincial Municipal Support

Other components of the economy also foster steady growth.

The people working for Saskatchewan's rural and urban municipalities, in growing cities and towns, in villages and northern communities and in rural areas, deliver important services to the people of the province.

The 2014-15 Budget provides $394.6 million of direct provincial support to municipalities, an increase of $32.8 million, or 9.1 per cent, from last year and an increase of $152.7 million or 63.1 per cent from the 2007-08 Budget.

Initiatives in this budget include $257.0 million for Municipal Revenue Sharing, based on the formula of one point of the Provincial Sales Tax. While this amount is down slightly from last year, it is still more than double the amount provided to municipalities in 2007-08.

The budget also contains $47.2 million in other municipal funding, including:

- $14.2 million in policing grants;
- $3.5 million for the Transit Assistance for People with Disabilities Program; and,
- $1.2 million for the Provincial Emergency Response.

Through the Provincial Disaster Assistance Program, Government supports Saskatchewan municipalities, First Nations and individuals who need help when hit by unforeseen disasters like severe flooding or tornadoes.

Manufacturers, Exporters and Entrepreneurs

The province's growth is fueled by the fact that the world wants what Saskatchewan produces; from potash, uranium, oil and natural gas, to wheat, canola, lentils and manufactured goods.

The 2014-15 Budget supports Saskatchewan's manufacturers, exporters, producers and entrepreneurs.

The Government is providing $500,000 for start-up costs to establish a Manufacturing Centre of Excellence and $3.4 million in funding this year for the Saskatchewan Trade and Export Partnership.

It's paying off, as Saskatchewan had a record year for exports, reaching $32.3 billion in 2013, up 2.8 per cent compared to 2012, making the province the largest exporter per capita in Canada.

Conclusion

The Government of Saskatchewan is committed to growth – not for its own sake – but to provide more opportunities and create a better quality of life for all Saskatchewan people.

Saskatchewan is moving forward on the path of steady growth.

This year, the Government has made an historic change in how it presents its budget to the people of Saskatchewan.

Steady growth is about the big picture and so is the new summary budget focus.

The 2014-15 Budget meets the challenges of a growing province. It helps secure a better quality of life for all Saskatchewan people. And it represents another confident step forward by the Government on the path of steady growth.